EXHIBIT A

Inside WSGR's Investment Fund

by LAWSHUCKS *on DECEMBER 7, 2009*

Interesting information often turns up in the most-innocuous places. Zusha Ellinson at The Recorder went to the trouble of reading the filings on former Wilson Sonsini partner John Roos's appointment as US ambassador to Japan and uncovered a treasure trove of information about the firm's fabled investment fund.

Roos (Stanford BA '77, JD '80) had been a partner at WSGR since 1988 and CEO of the firm since 2005. He was somewhat of a surprise appointment to the post back in August, at which time Preisdent Obama allayed concerns that he was appointing a relative unknown to the post, calling Roos a close friend who "will be able to advise me directly" and who has "superb judgment and outstanding intellect."
Enough about him, after the jump – the inside scoop on one of the most-sought-after perks in BigLaw.

Mario Rosati (UCLA BA '68, Berkeley JD '71) has managed WS Investment Co. since its inception in 1978.
The fund is typically seeded with capital contributions from partners (the cash is taken off the top prior to any draws), although there are a number of funds that are open to voluntary contributions and some are open to associate participation. In the heady days prior to the dot-com bubble, stories abounded of associates getting pre-IPO stock at closings. A lot of it turned out to be worthless, but there were a few gems.

During the good times, Wilson's funds outstripped even the venture capitalists. The $3.3 million WS invested in one fund in 1996 had grown to $53.3 million a decade later, largely thanks to a $30 million gain from Juniper's 1999 IPO. The fund grew to 17 times the investment — pretty good, considering that VC benchmarking firm Cambridge Associates says the average multiplier for a 1996 venture capital fund was about 5.

We don't know which fund held the investment, but WSGR had another home run in 1999: they supposedly sold off most, if not all, of a 100,000 share stake in VA Linux (now Geeknet NYSE:LNUX). That is arguably the most-successful IPO of all time, because it priced at $30, opened at $299, and hit $320 before closing its first day at $239.25. Of course, it was only

successful for those who got out relatively quickly: it was below $30 within a year and hit $0.54 in 2002 (it closed at $1.04 on December 4, 2009).

Of course, this isn't 1999 any more, so it was a little easier for Roos to walk away from the fund:

Roos, who was CEO at Wilson Sonsini, was paid $2.37 million in salary and got $113,000 from WS Investment in 2008. That stands in stark contrast to the nearly unbelievable returns in the dot-com boom. In 2000, an average equity partner was paid $930,000 by the firm, while getting $1.3 million worth of stock distributed by WS Investment thanks to the blockbuster initial public offerings of companies like Juniper Networks Inc. and Avanex Corp.

They're still negotiating the buyout on about $686,000 in undistributed holdings Roos has.

Few people complain about BigLaw salaries (except those who complain that they're too high, we guess), and WSGR has pretty much always matched the market, so access to the fund was always considered a very nice perk that few other firms could match – and basically none outside of California, Virginia, or the 128 corridor outside Boston ever really tried. These days, though, the returns are just fond memories:

For partners who have been at the firm for decades, the up and down has averaged to a healthy return — one longtime partner estimated that over the course of his career he'd averaged 20 percent annual returns on the money taken from his draw and placed in WS funds. But Wilson lawyers who have made partner since the bubble burst have mostly treaded water.

We'll take the under on that estimate, and it seems a number of newer partners are less than thrilled with the approximately $5 million per year that's going into the fund instead of straight to their pockets:

Since the bust, the fund has never again reached the same heights in gains — or in chips wagered. Since 2000, a typical investment budget has hovered around $5 million per year, according to current and former partners. Several agreed that they'd either made a little, broken even, or lost a little money on the funds since 2000.

The latest returns have made some of the younger partners question the value of the fund. "Anybody that made partner in 2000 and beyond never made a lick off WS," said one.

At least one investment was great from an IRR perspective, but lousy from a PR perspective.

Wilson Sonsini owned 109,671 Brocade shares that were dumped into its 1998B fund by firm Chairman Larry Sonsini. As a board member and outside lawyer at Brocade, Sonsini had been granted options to buy the shares at five bucks a pop, and the fund paid $548,355 for the stock. After Brocade went public in May 1999, the fund held onto the shares until December. It isn't clear if that's when the lockup on the shares expired; current and former partners say that shares are typically distributed as soon as they can be. Partners can then hold or sell. When the Brocade shares were distributed to partners, they were worth $29.5 million.

We expect there are a few partners who wish the firm had never had anything to do with Brocade. The firm gave back more than $9 million in fees and was sued over its representation of the company in the midst of a backdating scandal.
One of the firm's less-controversial investments was in Google.

Then there's Google. WS bought 145,376 series B shares for $71,997 in 1999 – about 50 cents a share. By 2005, WS had handed out $9 million worth of Google stock to its partners; it kept another $19 million worth, though it isn't clear why.

Google B shares are 10x voting and 88% of the series is held by founders Larry Page and Sergey Brin, and CEO Eric Schmidt. They're convertible into A shares, which closed at $585.01 on December 4.

More recently, the firm has invested in Realty Nation, Kythera Biopharmaceuticals, Strategic Polymer Sciences, DiVitas Networks, and Ardian,according to CrunchBase.
What do you think? Will the humdrum recent returns, ethical questions, and PR fallout kill the fund or will the hopes of turning 50 cents per share into $600 win out and keep it going?